

**MICHIGAN STATE BOARD OF EDUCATION**  
**BUDGET PRIORITY RECOMMENDATIONS**

**1) SBE Budget Recommendations Process – FY 2013-14**

The State Constitution requires the Board to make recommendations on the financial requirements for education. Consistent with this Constitutional mandate to provide recommendations to the Legislature and the Governor regarding the funding needs of education, the State Board of Education in May, 2010 developed and approved the report ***Recommendations to Better Support Michigan's Education System: Reforms, Restructuring and Revenues***. This report stated the key, threshold elements of the P-20 education system needed in Michigan to provide individual opportunity and economic success, and indicated where both cost-savings and new revenues could be found to implement the key elements. This analysis and these recommendations also informed the State Board's February 2011 ***Education Improvement and Reform Priorities - Recommendations to Governor Snyder and the Legislature***.

The State Board proposes to initiate a process in January 2012 to revise and update recommendations concerning the financial requirements of education to inform the Governor and Legislature as they develop budgets for the 2013-14 fiscal year.

Contingent on securing credible and independent analytic capacity to assist the State Board, this process will:

- Identify anew the key elements and requirements for an effective education system, P-20;
- Identify the financial resources required to deliver this education; and
- Identify the combination of cost-savings/reforms, and additional revenues needed to deliver the education required.

**2) SBE Recommendations on Education Budget Priorities – FY 2012-13**

Consistent with our Constitutional mandate to provide recommendations to the Legislature and the Governor regarding the funding needs of education; and consistent with the reform and funding recommendations made by this board February 8, 2011;

And in order to:

- Inform Executive and Legislative budget proposals for 2012 now being formulated; and
- In light of the potential for an estimated 2012-2013 budget surplus, including surplus revenues in the School Aid fund

The SBE restates our support for funding the critical components of a comprehensive early childhood through higher education policy as articulated in our May, 2010 report ***Recommendations to Better Support Michigan's Education System: Reforms, Restructuring and Revenues***. The current Board reaffirms that key, threshold elements of the P-20 education system needed in Michigan to provide individual opportunity and economic success are:

- Universal preschool available for all four-year-olds families, Mandated (preferably all-day) kindergarten for all children;

- K-12 State Aid at funding level sufficient to provide quality instruction;
- Post-secondary education financial support for all citizens to achieve the needed new minimum threshold of a postsecondary education or technical training credential (as defined by Lt. Governors Commission on Higher Education and Economic Growth [2004]); and
- Higher Education operational support for Michigan's universities and community colleges at a level competitive with peer states and national state average for higher education support.

The State Board of Education's recommendations included a combination of cost-saving reforms and changes to the way revenues are raised and spent. The reforms have largely been enacted. We are now calling on the state legislature to make adequate funding of the key elements of the P-20 education a priority.

The State Constitution requires the Board to make recommendations on the financial requirements for education. Pursuant to that mandate, and respectful of many legitimate demands on any budget surplus, including re-stocking Michigan's budget "rainy day" fund; we recommend to the Governor and Legislature, that a significant portion of any budget surplus be invested in Pre-K, K-12 and higher education, specifically the following budget priorities for next year:

- K-12 investments should financially reward schools and districts that have found cost savings in non-instructional services, such as through school consolidation and shared services;
- The state will pay for all districts a percentage of the annual legacy pension costs thus allowing all districts to realize the benefit of the true increase in the foundation grant for the 2011-2012 school year;
- K-12 investments that provide adequate funding to all schools, should also serve to reward schools that demonstrate progress on student growth and achievement as contemplated and defined in the Michigan Department of Education's Elementary and Secondary Education Act Flexibility Waiver Request;
- New K-12 investments should be targeted at the classroom, supporting teacher quality, and to support master teacher programs called for by the Governor and this Board;
- K-12 funding should also serve to create incentives that support every student being able to accelerate at his/her own pace and realize early - post secondary learning opportunities, and better plan for and realize post-secondary credentials through expanded dual enrollment, early and middle colleges, Advanced Placement (AP), International Baccalaureate (IB) programs, as supported by this board, and consistent with the Any Time, Any Place, Any Way, Any Pace learning program proposed by the Governor; and
- Support for ongoing training for teachers and administrators to prepare them for implementation of more rigorous Career and College Ready Common Core Standards and the accompanying assessments being developed through the Smarter/Balanced Assessment Consortium of which Michigan is a governing member.

Approved December 6, 2011